

VZCZCXYZ0011
OO RUEHWEB

DE RUEHNE #0470/01 0721155
ZNR UUUUU ZZH (CCY AD3F530D MSI4519-695)
O 131155Z MAR 09
FM AMEMBASSY NEW DELHI
TO RUEHC/SECSTATE WASHDC IMMEDIATE 5732
INFO RUCNCLS/ALL SOUTH AND CENTRAL ASIA COLLECTIVE
RUCNISL/ISLAMIC COLLECTIVE
RUEHBJ/AMEMBASSY BEIJING 7459
RUEHRL/AMEMBASSY BERLIN 1183
RUEHLO/AMEMBASSY LONDON 6061
RUEHMO/AMEMBASSY MOSCOW 3185
RUEHFR/AMEMBASSY PARIS 1558
RUEHKO/AMEMBASSY TOKYO 6160
RUEKJCS/SECDEF WASHDC
RUEAIIA/CIA WASHDC
RHEHNSC/NSC WASHDC
RUEIDN/DNI WASHINGTON DC
RHHMUNA/HQ USPACOM HONOLULU HI
RUCNDT/USMISSION USUN NEW YORK 7713
RUEHGV/USMISSION GENEVA 8175
RUEKJCS/JOINT STAFF WASHDC

UNCLAS NEW DELHI 000470

SENSITIVE
SIPDIS

C O R R E C T E D COPY CAPTION
DEPARTMENT FOR SCA/INS

E.O. 12958: N/A
TAGS: [PGOV](#) [PREL](#) [PINR](#) [KDEM](#) [IN](#)
SUBJECT: BHARAT BALLOT 09: CONGRESS PARTY POISED FOR
SUCCESS IN RAJASTHAN

REF: A. 2008 NEW DELHI 3094
[1](#)B. 2008 NEW DELHI 3066

[1](#)1. (SBU) Summary: Political observers expect the Congress Party to pick up 6-10 seats from the Bharatiya Janata Party (BJP) in Rajasthan in the May 7 parliamentary elections. They see the Congress Party riding on momentum from its December 2008 win over the BJP in the state assembly elections, banking on the new Congress Party government's honeymoon period to continue for another two months, and anticipating that the state BJP will not be able to fully quell the infighting that was a major factor in its defeat in the assembly elections. As caste and identity politics play a central role in Rajasthan elections, the electoral picture will become clearer once both parties have selected their candidates in the state. Other issues that will have some influence on the results are terrorism, anti-incumbency, the slowing urban economy and redrawing of electoral district boundaries. Rajasthan is one of the few states in north India where the Congress Party has a shot at picking up parliamentary seats to offset losses it expects in other states in the region. End Summary.

Congress Party Poised for Gains

[1](#)2. (SBU) Poloff and PolFSN traveled to Rajasthan February 24-27 to assess the political climate in the state ahead of the May 7 parliamentary elections. Based on meetings with politicians, journalists, civic leaders and businessmen, the Congress Party appears today to be well placed going into the election campaign. The momentum comes from the state assembly elections in December 2008, when it wrested power from the BJP. According to a cross-section of contacts around the state, the Congress Party is expected to pick up 6-10 parliamentary seats, substantially improving its position in the state where it currently holds only four seats out of the state's 25 member parliamentary delegation. Rajasthan's seat total comprises about five percent of the Indian parliament's 543 seats. Seven of these 25 seats are

reserved for candidates for historically disadvantaged groups.

Rajasthan - Two Party State

13. (SBU) The Congress Party and the BJP dominate Rajasthan politics with no third party to pose any serious challenge in state and national elections. Until 1977, Rajasthan was a Congress Party stronghold. The first non-Congress government in the state was formed in 1977 by the Janata Party (of which the BJP was a part). Since then, Rajasthan has alternated between Congress party and BJP rule. Rajasthan's unicameral legislature has 200 seats of which Congress won 96 during December 2008 elections, when it ousted the BJP. With a handful of smaller parties and independents, the Congress Party's Ashok Gehlot replaced the BJP's Vasundhara Raje as Chief Minister.

14. (SBU) Rajasthan is India's largest state in terms of area, equal in size to Germany. With a population of about 60 million, it is as large as Italy. The largest ethnic/identity groups are: Dalits - 22 percent; Tribals - 17 percent; Jats - 12 percent; Muslims - 8.5 percent; Gujjars - 8 percent; Rajputs - 8 percent; Brahmins - 8 percent. About 23 percent of the population lives in urban areas. With a literacy rate of 61 percent, it ranks 29th out of India's 35 states. Per capita income is less than \$200. Modern Rajasthan is a study in contradictions. While it is considered "backward" in terms of development indicators, it is not seen as a "bimaru" (sick) state like Bihar and Jharkhand. It ranks low on social indices but it boasts one of the most ambitious and successful primary education

programs. The state's track record on crime against women is poor. Yet, it has a strong women's empowerment movement and has reserved 50 percent of the slots in local government for women. Despite being a conservative society steeped in feudalism, Rajasthan was the first state in India that enacted legislation on the right to information.

Congress Strategy: Don't Upset the Applecart

15. (SBU) Incumbent Congress Party Chief Minister Ashok Gehlot has carefully tried to keep intact the momentum from the party's win over the BJP in the December 2008 state assembly elections. In his ten weeks in office, he has avoided decisions with any hint of controversy. His most visible announcement has been a populist one -- to revoke licenses of liquor shops located near schools and religious places and to tighten the hours they can remain open. He deferred for over two months expansion of his cabinet to full strength for fear of backlash from disgruntled aspirants. When he did complete his cabinet on March 1, it was painstakingly balanced between castes, ethnic groups and regions. That there were few public protests from hopefuls who did not make the cut implies that he carefully struck deals to accommodate them elsewhere.

16. (SBU) According to Congress Party officials in Rajasthan, the party campaign for the coming national elections in the state will be based on projecting the UPA government's achievements, the positive image of the Congress Party leadership in Delhi and the "clean" reputation of Chief Minister Gehlot. They believe the party has successfully inoculated itself against terrorism and economic issues. As in the rest of India, the party will try to brand itself as the party of youth and the future. But, most of all, it will seek to play the caste/identity connections that are crucial in Rajasthan.

BJP: Lessons Drawn From Assembly Elections

17. (SBU) The BJP will selectively use its tried and tested campaign issues against the Congress Party: accusations of negligence on terrorism and security, complaints about

coddling the Muslim minority for vote bank politics, and promotion of Hindu nationalism. It will seek to highlight the economic slowdown, pointing the finger at the Congress Party and accusing it of mismanagement. Beyond these standard BJP election issues, the party will try to neutralize some of the factors that led to its defeat in the 2008 assembly elections.

¶8. (SBU) According to The Hindu correspondent Sunny Sebastien and India Today's Rohit Parihar, the issues raised, the strategies deployed and the lessons learned in the December 2008 state assembly elections in Rajasthan offer good indications of what may be expected in the parliamentary elections in the state. Besides the ever-present anti-incumbency factor during the state assembly elections, there was near agreement among our interlocutors that one of the primary reasons for the BJP's defeat was the ferocious infighting within the party in the state. Chief Minister Vasundhara Raje had to fend off sniping and flank attacks from an array of political rivals, including former Vice President Bhairon Singh Shekhawat, former Foreign Minister Jaswant Singh as well as several state-level BJP stalwarts.

¶9. (SBU) The BJP infighting had its roots in CM Raje's manner, which was variously described by interlocutors as authoritarian, arrogant, autocratic and dictatorial. Many critics attributed the BJP loss to Raje's "leadership style." For the parliamentary elections, Raje will be less polarizing because she will only be one of many state and national BJP faces leading the campaign in the state.

¶10. (SBU) Party infighting was exacerbated by the selection of BJP candidates for the state-level elections. According to several analysts, the BJP attempted to replicate the successful Modi model of Gujarat by replacing a high proportion of its sitting legislators with new faces, in part, to try to defuse the threat of anti-incumbency. This strategy appears to have failed in Rajasthan because it led to damaging internecine backbiting with factions more interested in working to defeat rival candidates from their own party rather than focusing on their Congress Party opponents. There were also reports that the Sangh Parivar's Rashtriya Swayamsevak Sangh (RSS), which often provides the most dedicated campaign workers for BJP candidates, chose to sit out the election in several districts where it was unhappy with the selected candidate. The BJP will seek to minimize such dissent during the parliamentary elections by more careful selection of party candidates and more attention to cutting deals with disgruntled aspirants.

¶11. (SBU) Two other issues that may have contributed somewhat to BJP's downfall in the state assembly elections -- liquor and corruption -- may not stick in the parliamentary elections because they may not be sustainable beyond one election cycle. During the campaign for the state assembly elections, Ashok Gehlot and the Congress Party attacked the BJP relentlessly for trying to raise government revenues by increasing the number of liquor outlets in the state. The Congress Party complained about the proliferation of liquor shops near schools and places of worship. In a conservative state such as Rajasthan, many felt this issue had some impact, particularly on women voters. The Congress Party also accused Raje of "unprecedented" corruption, with real estate developers being a favorite fund raising target. Rajan Mahan of NDTV agreed that Raje had emerged as a major funding rainmaker for the BJP but he, along with Sebastian and Parihar, believed that corruption was not a high priority issue for voters and had only a small impact in selected areas. In their view, voters don't care if politicians are raising funds from big real estate deals as long as it is not coming out of their own wallets.

Terrorism -----

¶12. (SBU) To the extent terrorism will be an issue, it is likely to favor the BJP as "soft on terror" and "minority appeasement" are its long-standing campaign issues against the Congress Party. The increasing frequency and intensity

of terrorist attacks within India during the last two years, capped by the spectacular Mumbai attacks in November, has given more visibility to this issue. Rajan Maran of NDTV believes that the Mumbai terrorist assault had a significant impact in the Rajasthan state assembly elections, polling for which took place on December 4, only days after attacks. In his view, there were about 20 closely fought assembly seats which tipped towards the BJP following the Mumbai terror attacks. He believes the BJP was headed for a crushing defeat due to party infighting and unwise selection of candidates, but was able to pull out a respectable performance and prevent the Congress from an outright majority because of the Mumbai attacks. This opinion was shared by several local Congress and BJP officials as well as journalists from the vernacular Bhasker Dainik, who believed the Mumbai fallout was tangible but primarily in urban areas.

¶13. (SBU) Most of our interlocutors agreed, however, that the Mumbai effect has dissipated in the past three months. The Congress Party also had some success in neutralizing its vulnerability on the terrorism issue by quickly moving P. Chidambaram to replace the spectacularly inept Gandhi family loyalist Shivraj Patil at the Home Ministry. It also helped

itself by pushing through new anti-terror legislation in record time and talking tough towards Pakistan. Furthermore, terrorism and minority appeasement have historically not found strong traction in Rajasthan as election issues because the state tends to be free of Hindu-Muslim tension due to the relatively small size of its Muslim minority.

Anti-Incumbency

¶14. (SBU) Although Congress-led governments are in place in both Rajasthan and in Delhi, the Congress Party is expected to benefit in Rajasthan from the Indian voter's traditional penchant for voting out incumbents. Having assumed power in December 2008, the Congress Party administration in the state is too new to suffer the taint of incumbency. Chief Minister Gehlot has been careful not to make any controversial or polarizing decisions in the short time he has been in office.

Further, many of the BJP candidates are likely to be incumbents who have held their seats for ten years and will suffer from the Indian voters' proclivity for change.

Caste and Identity: A Central Role

¶15. (SBU) Caste and identity arguably play a more important role in Rajasthan politics than in any other north Indian state. Both parties pay great attention to wooing voters based on appeals to their caste or community. The Congress Party is currently well placed with many of the important groups. It has a built in electoral edge because traditionally Dalits have tended to be supportive. The BJP must, therefore, consolidate several of the other groups in order to be competitive. Other groups do not necessarily lean towards one party or another. Their preferences depend often on the caste/identity of the candidates and thus vary from one constituency to another. One group may support a particular party in one election district because that party's candidate belongs to their caste, but oppose the same party in an adjoining district because the party is fielding a candidate from a rival caste.

¶16. The BJP's sister organization, the Rashtriya Swayamsevak Sangh (RSS), has worked hard over the past twenty years with the tribal populations, which are concentrated in southern Rajasthan. As a result the BJP was able to make strong in-roads in southern Rajasthan but during the last assembly elections, the tribals deserted the BJP and the party was trounced in the Mewar region of southern Rajasthan state. The BJP will find it difficult to compete in the south unless it can bring back the tribals. Due to a running two-year controversy over quotas and set-asides, the BJP has alienated the Gujjar community in the state as well as other competing

groups who saw the BJP flip-flopping on preferences for the Gujjars.

Delimitation: Injects Uncertainty

¶17. (SBU) The redrawing of election district boundaries -- a countrywide exercise called "Delimitation" that took place after a gap of 30 years -- has significantly changed the shape and composition of election districts in the Rajasthan.

Delimitation has injected a measure of uncertainty into the election analysis as candidates are forced to change seats and as caste/identity combinations shift in the new districts. It has created a major headache for the parties in their candidate selection process because of the changed composition of the electorate. The Congress Party has traditionally been more adept at playing identity politics and would tend to be better placed to take advantage of the new make-up of the districts. However, the BJP also stands to gain because it tends to be stronger in urban areas and

Delimitation has increased the representation of urban areas in parliament to account for steady urbanization over the last thirty years. As an example of the significant and unpredictable impact of Delimitation, Sachin Pilot, a young and up and coming Congress member of parliament from Rajasthan, lost his seat because it was designated to be reserved for Dalit candidates.

Urban Economy Hurting

¶18. (SBU) Economic issues on balance are likely to hurt the Congress Party in urban areas and help the party in rural constituencies in Rajasthan. The state is suffering from a sharp downturn in tourism from overseas, which followed the Mumbai attacks and was exacerbated by the global financial turmoil. According to Rajan Mahan of NDTV, tourism accounts for a significant proportion of the state's economy and has a more pronounced impact in the urban tourism centers such as Jaipur, Jodhpur, and Udaipur. Businessmen in the tourism industry told Poloff that hotel occupancy and room rates at high end hotels have fallen significantly in these cities. Two of the three hotels that Poloff stayed at during the visit had closed down entire wings of their facilities due to the fall off in tourists. Still robust domestic tourism and conference trade have been unable to offset the plunge in foreign tourists. The jewelry industry in Jaipur and the handicrafts industry in Jodhpur have suffered as exports and tourism have fallen. Real estate and construction have slowed down in many urban areas. Rural Rajasthan has been less affected by the softening of tourism, jewelry, handicrafts and real estate. The UPA government's rural employment and development schemes will yield some benefits to the Congress Party in rural Rajasthan. (Note: Embassy New Delhi plans to report more in-depth on Rajasthan's economic situation septel.)

Third Parties: Little Foothold in Rajasthan

¶19. (SBU) Mayawati's Dalit-based Bahujan Samaj Party has to date failed to find a significant foothold in Rajasthan. It won only six out of 200 contests in the December 2008 state assembly elections. It plans to contest all 25 seats in the parliamentary elections but is unlikely to win any. It will play its usual game of selecting disgruntled Congress or BJP leaders who are denied their party's ticket. To the extent any of these BSP candidates are strong enough to pull a sizeable slice of votes, it may tilt a handful of races. On balance, the BSP will hurt the Congress more than the BJP because both appeal to similar vote banks. There will many other parties and independents who contest but they are unlikely to draw many votes or impact the Congress-BJP contests.

Comment: Rajasthan, Bright Spot for Congress in the North

¶20. (SBU) For the Congress Party, Rajasthan is one of two states in north India -- Punjab is the other -- where the party has its best shot at picking up parliamentary seats to offset losses it expects in other states in the region. In the 2004 parliamentary elections, the BJP swept Rajasthan a few months after it ousted the Congress Party in the state assembly elections. There are few analysts who predict a similar sweep to be repeated this time by the Congress Party because its win in the state assembly elections was far from convincing. The BJP put up a good fight and in the end the Congress Party merely squeaked through and had to rely on independents and smaller parties to form a government. For the parliamentary elections, the best bet for the Congress Party is for the new government's traditional honeymoon and BJP's infighting to continue for another two months.

¶21. (SBU) Due to the strong influence of caste and identity in Rajasthan politics, a clearer picture will emerge only after the two parties have completed the selection of their candidates in the state. The BJP may get a jump start in campaigning because it has already named a few of its candidates. There has not been a large public outcry to date from disgruntled BJP aspirants which augurs well for its ability to control the dissension. The Congress Party has yet to announce any contestants in the state.

WHITE